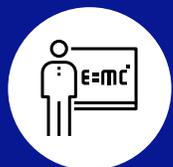
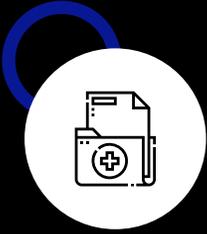


# School Based ACCESS Program (SBAP)

## Cost Settlement / Cost Reconciliation

## Training





# Cost Settlement Overview



**Monthly interim payments** received during the Fiscal Year (FY)



Report direct service and transportation costs on the **annual cost report**



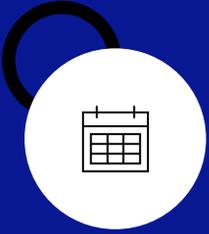
Costs are reconciled through the **annual cost settlement** process



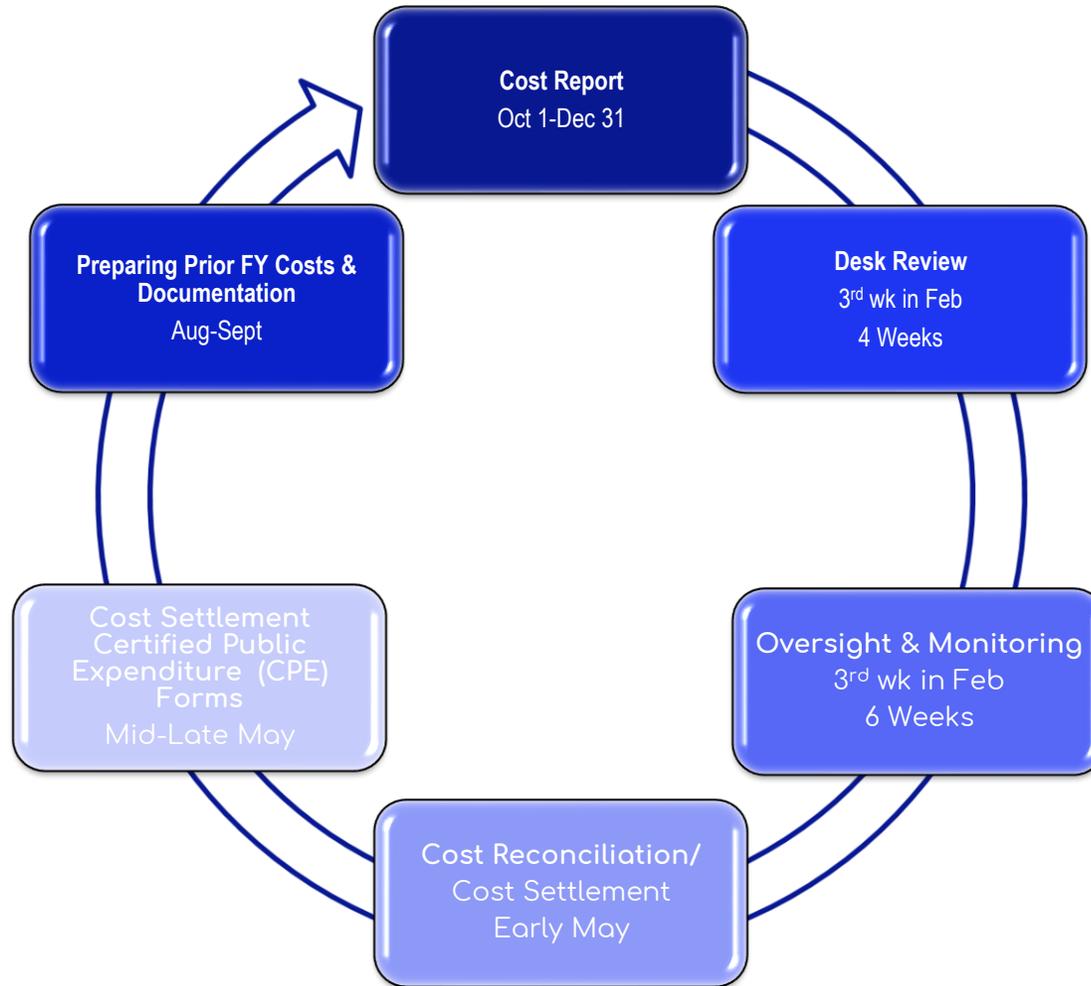
Annual Cost Report establishes total LEA allowable Medicaid allowable costs for all school-based direct health-related services delivered during the previous fiscal year (July 1-June 30)



Total costs of providing or purchasing school-based direct health-related services or equipment, less any federal dollars, will be captured annually



# Annual Process



# Cost Report Elements

## Reporting Allowable Costs – Direct Health-related Services

- ✓ Salaries
- ✓ LEA paid Benefits
- ✓ Health related contracted service
- ✓ Approved health-related supplies & materials
- ✓ Tuition Costs
- ✓ Depreciation costs

## Reporting Allowable Costs – Transportation Services

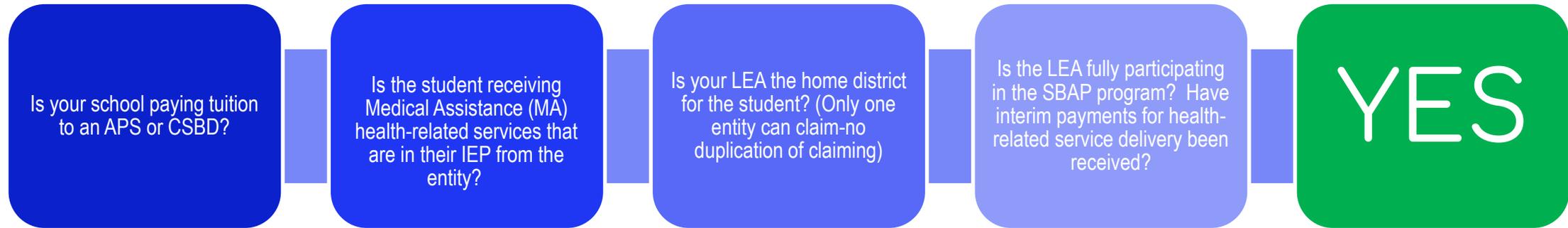
- ✓ Salaries
- ✓ LEA paid Benefit
- ✓ Contracted costs
- ✓ Other costs, such as fuel, insurance, repairs and maintenance
- ✓ Depreciation costs

## General Statistics Information

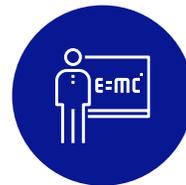
- ✓ IEP Ratio
- ✓ Transportation Ratio
- ✓ One-way Trip Ratio
- ✓ Unrestricted Indirect Cost Rate (UICR)
- ✓ Direct Medical Percentage based on RMTS
- ✓ Federal Medical Assistance Program (FMAP)
- ✓ Interim Payments
- ✓ Health Related Tuition Percentage (HRT%)



# Reporting Tuition



**PROGRAM UPDATE:** Tuition paid to entities that are eligible to participate in SBAP is NOT an eligible cost and cannot be reported in the cost report



This means LEAs and IUs are no longer available to claim tuition costs

# Reporting Tuition



When health-related tuition cost data is not obtained by the LEA, the institution will default to a rate of 2.5%



LEAs may claim 100% full tuition costs for eligible students enrolled in an APS, CSDB, or licensed private academic school, including those with partial PDE funding



Tuition costs can only be claimed for students who are receiving a direct health-related service as listed in their IEPs and when supporting documentation is maintained



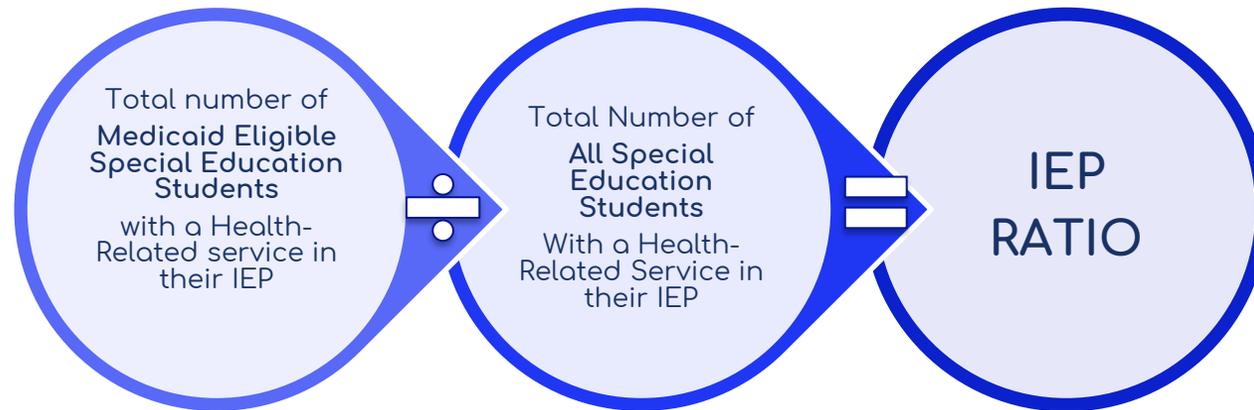
Contracted tuition costs will be subject to an individual health-related tuition percentage to determine the Medicaid allowable health-related tuition costs

# Cost Report – General Statistics IEP Ratio

IEP Ratio — Apportions Direct Medical service costs. LEA reports numerator and denominator as of December 1



Data generally is pulled from the IEP Writer or other IEP management systems. This list of students is as of December 1 of the year being reported.



# Cost Report – General Statistics

## Transportation Ratio



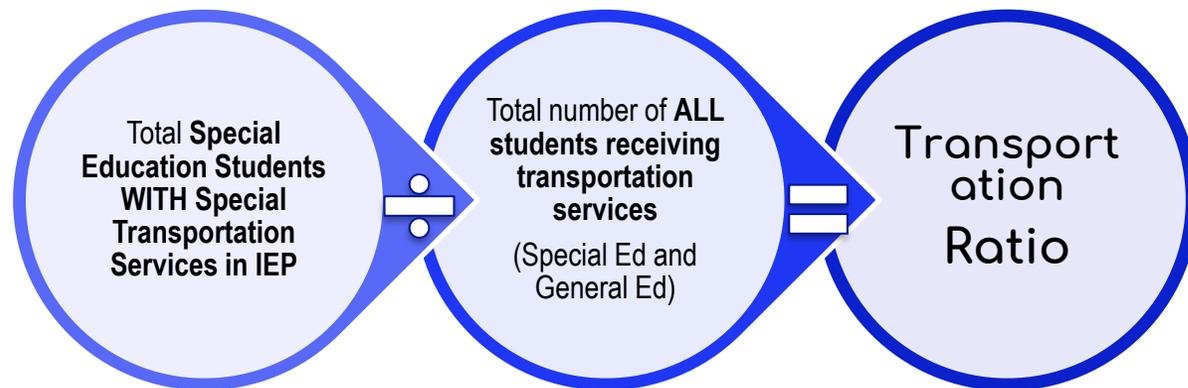
Transportation /One-way Trip Ratio data is ONLY collected if transportation costs are reported



The Transportation Ration is applied when an LEA cannot discretely separate its special transportation and general transportation costs

Numerator: A report from the LEA providing the total number of students with Special Transportation in IEP (IEP Management System)

Denominator: Total number of ALL students receiving transportation Services (Special Ed/General Ed). Also, PDE-2089 Pupils Transported Summary

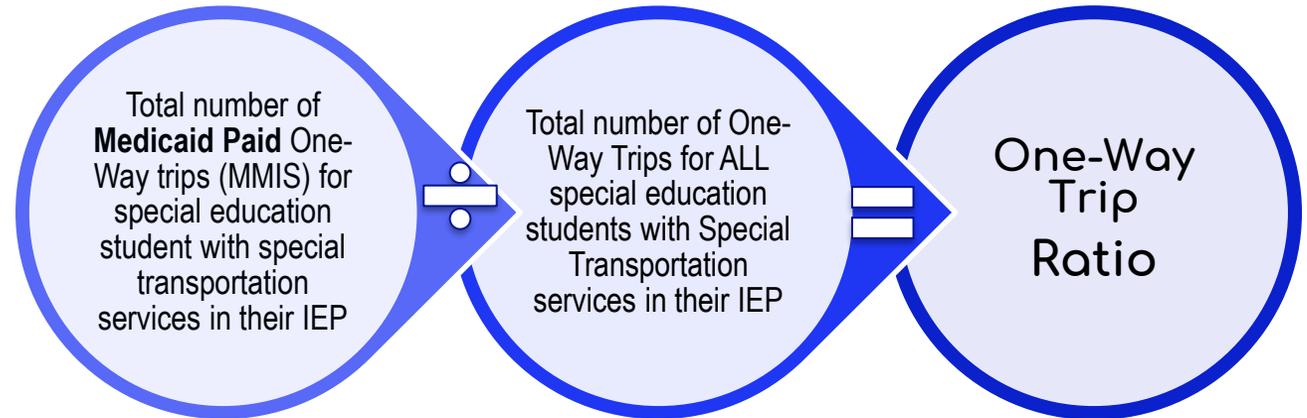


# Cost Report – General Statistics One-Way Trip Ratio



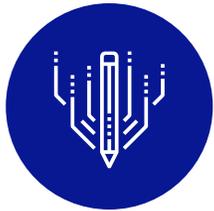
The One-Way Trip Ratio is used to determine the Medicaid-allowable portion of special transportation costs incurred by LEAs.

The One-Way Trip is defined as a trip to or from school for a special education student with special transportation in their IEP

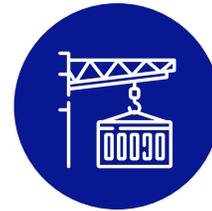


# Cost Report – General Statistics

## Unrestricted Indirect Cost Rate (UICR)



**Attention:** If the UICR is not requested timely and PDE does not provide a certified UICR to DHS by the February 15, 2024 deadline, a zero rate will be applied resulting in a reduced SBAP cost settlement



Is an allowable component for LEA reimbursement and is used to identify the overhead costs of doing business that cannot be easily identified, but are needed for normal district operation (Building Lease, Utilities, etc.)



Is LEA-specific, calculated and certified by the Pennsylvania Department of Education (PDE), and are updated annually



Is Requested in the Indirect Cost section of the Annual Financial Report (AFR) annually, by October 31, in order to receive an approved UICR



# Cost report statistical overview

## Direct Service

$$\text{Allowable Direct Service Costs} \times \text{Direct Medical \%} + \text{Unrestricted Indirect Cost Rate (UICR)} \times \text{IEP Ratio} = \text{Medicaid Allowable Direct Service Costs}$$

## Transportation

$$\text{Allowable Not Only Specialized Transportation Costs} + \text{Unrestricted Indirect Cost Rate (UICR)} \times \text{Transportation Ratio} \times \text{One-Way Trip Ratio} = \text{Medicaid Allowable Transportation Costs}$$

$$\text{Allowable Only Specialized Transportation Costs} + \text{Unrestricted Indirect Cost Rate (UICR)} \times \text{100\% Transportation Ratio} \times \text{One-Way Trip Ratio} = \text{Medicaid Allowable Transportation Costs}$$

## Tuition

$$\text{Allowable Tuition Costs} \times \text{Health Related Tuition \% (HRT\%)} \times \text{IEP Ratio} = \text{Medicaid Allowable Tuition Costs}$$

## Final Cost Settlement

$$\text{Total Medicaid Health Related Costs} + \text{Total Medicaid Health Related Tuition Costs} \times \text{FMAP Rate} - \text{Interim Payments} = \text{Final Cost Settlement (+ or -)}$$



# Cost Data Format & Documentation



The annual financial data to be included in the calculation of the annual cost report for the cost reconciliation process must be completed using accrual-based accounting. Example: Salaries for last pay period of the fiscal year should be included in that year, even though the payments are made in the following fiscal year



Due to the differences in accounting methodologies (MAC quarterly report VS Cost report), costs entered for the quarterly reports will not roll over into the annual cost report



Individual provider earnings (quarterly and annual) should be broken out by salary and benefits and include an end of report summary that clearly reconciles payroll report and represents claimed costs



All financial data used to complete the annual Cost Report should be maintained and kept readily available should the LEA be selected for monitoring

# Salaried & Contracted Staff Costs

The financial data reported (salaries, benefits, purchased services, and other expenditures). Must be based on actual expenditures.



SALARY – Pre-tax earnings for the period



BENEFITS – EMPLOYER-paid benefits for the period



Travel



Professional Development



CONTRACTOR COST



Wages



Overtime



Paid time off



Dental



Health



Life



Retirement



# Direct Medical Other Health-Related Supplies & Materials

Only approved supplies are used for medical services for special education



Single items less than \$5000



NOTE: Single items greater than \$5000 may be depreciated



Clear and detailed documentation of costs should be maintained and CLEARLY identify purchased item(s) are on the approved list

May not include:



Purchases for General Ed student only



Costs for use in out of district (tuition paid) institutions



# Transportation Costs



Use of a special adapted or other qualified vehicle



Special Transportation Costs include: Drivers, Mechanics Lease, Fuel, Insurance, repairs



Travel to and from School, between schools or school buildings or off-site premises



An identified MA service is on the IEP, is rendered on school premises



LEA must have a paid transportation claim within the reporting year. Costs are reportable when:



Special transportation is included on the IEP as a separate service



Use of a specially adapted bus or qualified vehicle (wheelchair lift, special harness, safety vest, or special Car seat



Services are documented in a transportation log & represented as a one-way trip (2/day)



# Asset Depreciation



Straight-line depreciation is used for the planned write-down of an asset over time due to wear and tear or obsolescence



$(\text{Cost} - \text{Federal funds}) \div \text{Years of Useful life}$



Under Category, users will select between transportation and direct service assets



It is important that years of useful life, date placed, and cost amount are accurate and remain unchanged because of the affect on succeeding years depreciation



Costs greater than \$ 5000



# Desk Review (Late January 2024)



Once all Cost Reports are certified, SSG systemically reviews all the data from the Cost Reports. This process helps with LEA compliance and may minimize pay-back scenarios



Review takes place for about a month from end of January until the start of March



Organize your cost report documentation for quick and easy access during the desk review period



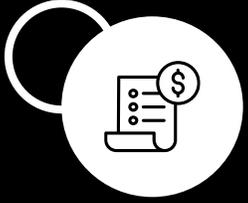
Be ready to respond timely to flags



Since this is usually a financial flag, the finance officer, bookkeeper, or designee should review the data for accuracy



If you are not 100% sure if a cost or ratio is accurate and cannot support with documentation, LEAVE THE COST OUT



# Cost Settlement/Reconciliation (early May)

Cost Settlements are calculated by comparing the total Medicaid allowable costs to the LEA's interim payments for health-related services provided during the applicable FY being reported



LEAs will be required to:

- Review the two provided Excel cost settlement and summary documents for accuracy
- Approve their LEA's cost settlement
- Complete, sign and upload the Certification of Public Expenditures (CPE) document



# Oversight & Monitoring for 2021 – 2022 School Year

A number of randomly selected LEAs will be required to participate in O&M

These reviews are conducted annually by SSG

Upon selection of a review, an LEA must provide supporting Documentation for specific Costs and ratios

The reviews will cover School Year 2021-2022

The O&M Process Starts In February 2024

Categories for possible reviews include:

Salaried Staff and Contracted Staff and Services

IEP Ratio and Transportation Ratios

Direct Medical Service Staff (Credentials & Licensing)

Direct Medical Materials and Other Costs

Tuition Payments



# Please be sure to sign up

COST SETTLEMENT TRAINING			
#	TRAINING	DATE	TIME
1	Cost Settlement	Tuesday, October 3, 2023	10:00-11:30 am
2	Cost Settlement	Thursday, October 5, 2023	1:00-2:30 pm
3	Cost Settlement	Wednesday, October 11, 2023	1:00-2:30 pm
4	Cost Settlement	Thursday, October 12, 2023	10:00-11:30 am
5	Cost Settlement	Tuesday, October 17, 2023	10:00-11:30 am
6	Cost Settlement	Thursday, October 19, 2023	9:30-11:00 am
7	Cost Settlement	Tuesday, October 31, 2023	2:00-3:30 pm
8	Cost Settlement	Wednesday, November 1, 2023	10:00-11:30 am

COST SETTLEMENT 101 TRAINING			
#	TRAINING	DATE	TIME
1	Cost Settlement 101	Wednesday, September 27	1:00-3:00 pm
2	Cost Settlement 101	Thursday, September 28	10:00-12:00 pm
3	Cost Settlement 101	Wednesday, October 4, 2023	1:00-3:00 pm
4	Cost Settlement 101	Tuesday, October 10, 2023	9:30-11:30 pm

# For Additional Assistance

## By Phone:



Toll free: 1-877-916-3222



(Live support available M-F, 8:00 am – 5:00 pm)

## By email:



[PAsupport@sivicsolutionsgroup.com](mailto:PAsupport@sivicsolutionsgroup.com)



DHS Dedicated email



[RA-PWSBAP@pa.gov](mailto:RA-PWSBAP@pa.gov)

